



Department of Commerce

COMPETITIVE GRANT PROGRAMS:

- Building for the Arts ■
- Building Communities Fund ■
- Youth Recreational Facilities ■

2017-2019 Building for the Arts (BFA) Grant Guidelines

Up to \$2 million for arts and cultural facilities
As much as 20 percent state match of eligible project costs

Application Deadline: Thursday, June 23, 2016 at 5 p.m.

Grant application workshops: (see last page for details)

- May 31st in Spokane
- June 2nd in SeaTac
- For program questions about the BFA grant please contact Capprograms@commerce.wa.gov or call 360-725-3075
- For technical assistance with the ZoomGrants application please contact Questions@ZoomGrants.com or call 866-323-5404 x2

Join our listserv:

<http://listserv.wa.gov/archives/capital-programs.html>

Community Capital Facilities

P.O. Box 42525

Olympia, WA 98504-2525

360-725-3075

capprograms@commerce.wa.gov

ONLINE APPLICATION INSTRUCTIONS

All applications for the 2017-2019 Round will be submitted electronically through ZoomGrants. Hardcopies will no longer be accepted. Applications must be submitted to Commerce no later than 5:00 p.m. on Thursday, June 23, 2016.

[“BFA Application” link](#). This will take you to the ZoomGrants website. If you have a ZoomGrants account, log in and follow the instructions. If you are a new user, complete the required information for a new ZoomGrants account to create a profile. Please do not use “The” as the first word in the agency name. Once the agency profile has been created, select the BFA Grant, click the “Apply” button and start your proposal. Answers are automatically saved.

TAB 1: SUMMARY

This section includes basic information concerning your organization and proposal, including contact information and other pertinent data. This section must be completed in its entirety.

TAB 2: ELIGIBILITY TEST

All applicants must first answer and submit the Eligibility Test questions. This section will then need to be approved by Commerce. If approved, you will then be allowed to continue to the next tab.

TAB 3: APPLICATION QUESTIONS

Please answer thoroughly and to the best of your ability. Provide cross streets if there is no project address, the parcel number(s) of the project site, and if land will be re-parcelled.

TAB 4: BUDGET

When listing your project budget, ***please use eligible costs only***. This will be different from your ***total*** project budget, and includes only capital costs that this grant can reimburse. For more information about what costs are eligible, please refer to Page 14.

TAB 5: TABLES

In this tab you will input your organization’s financials for FY 2012-2016 (est) along with your project timeline.

TAB 6: DOCUMENTS

The Documents tab of the application is where you will upload the documents required or requested for the application. Please save forms or documents on your computer, complete and then upload to ZoomGrants using the “Upload” button provided. All documents required for your project must be completed and submitted with the application. Failure to provide the requested documentation or providing inaccurate information may result in the proposal receiving less points or being disqualified. If a required document is not applicable to your project, please submit a single page indicating “N/A”.

2017-2019 Policy Highlights

Acquisition Projects

All acquisition projects must provide a current (six-nine month) appraisal or county assessment of the site to be purchased.

Collateral Requirements for Non-Profit Organizations

Projects performed by nonprofit organizations for construction, acquisition and renovation that involve the expenditure of more than \$500,000 in state funds must list Department of Commerce on the deed of trust or leasehold deed of trust and provide title insurance. The deed of trust or leasehold deed of trust in favor of Commerce must be recorded before reimbursement of project costs. Projects \$500,000 and under are exempt.

DAHP Compliance under Governor's Executive Order 05-05

All capital projects involving ground disturbing activities and/or projects involving a building or structure that is over 50 years in age must be reviewed by the Department of Archaeology and Historic Preservation (DAHP) prior to contract execution.

Reimbursement/Billing Procedures

All capital project reimbursements shall be evidenced by documentation showing the cost has already been incurred by the grantee. The grantee shall provide copies of the cancelled check or electronic funds transfer (as applicable) confirming payment of each expenditure for the amount of each invoice claimed.

LEED Requirements

Most projects are required to apply for LEED silver certification. However, renovation projects that involve a new addition to an existing building may not be eligible for LEED certification. Also, new construction projects under 5,000 square feet are exempt from this requirement.

WHERE TO FIND IT

Applications

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Building for the Arts (BFA)

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Director

Mark K. Barkley

Assistant Director

SIX STEPS TO GETTING A GRANT

We have a strong commitment to supporting smaller facilities and those serving rural parts of the state. If you aren't sure about whether to apply for a BFA grant, don't feel shy about talking to us. We're here to help you succeed!

This publication is available in an alternative format upon request. Events sponsored by Commerce are Accessible to persons with disabilities. Accommodations may be arranged with a minimum of 10 working days notice by calling 360-725-3075.

STEP 1: ***Decide whether you are eligible — and ready to apply***

This is a highly competitive grant program, so before submitting your grant application we strongly encourage you do your homework. Take a look at our timeline for awarding funds to make sure that it fits with your cash-flow needs.

STEP 2: ***Decide whether to seek LEED certification or an exemption***

If you wish to apply for an exemption you can do so at any point between now and when grant applications are due. If you apply for an exemption soon, you can find out whether your request is accepted before deciding whether to prepare a grant application.

STEP 3: ***Complete your application online***

The BFA Grant Application is available online! To apply, please follow the ZoomGrants link here: [ZoomGrants](#).

STEP 4: ***Application Review***

Applicants whose projects make it past a preliminary staff review will be reviewed by the BFA Advisory Board. Grants that are approved by the board will be forwarded to the governor and state legislature for final funding approval.

STEP 5: ***Negotiate a contract***

If the advisory board recommends your project for funding and it is included in the 2017-2019 Capital Budget and signed into law, Community Capital Facilities will draft a contract with your organization before disbursing the funds. See pages 12-14 for contracting requirements— some of which you should start thinking about now.

STEP 6: ***Submit reimbursement materials***

This is a reimbursement-style grant. That means no advance payments, but we've worked hard to make the paperwork straightforward. Funds will likely become available by Fall of 2017.

PART 1: PROGRAM BACKGROUND

1.1 Program purpose

This program awards state grants to nonprofit organizations to defray up to 20 percent of eligible capital costs for the acquisition and *major* new construction or renovation of performing arts, art museums, and cultural facilities. Historical museums are ineligible.

The maximum grant award for the 2017-2019 Biennium is \$2 million. *There is no minimum grant award amount.* The BFA Advisory Board, which ranks grant applications, reserves the right to modify the amount of any request for funding.

Minor works such as general maintenance and repairs*, American with Disabilities Act (ADA) upgrades, theater sound and lighting equipment, or public art displays or works of art will not be funded as stand-alone projects. These improvements will be considered as part of a major facility development or renovation project.

Acquisition of bare land must be accompanied by the construction of a usable facility to be an eligible project.

BFA is a state program funded entirely through the sale of state bonds. No federal dollars are involved.

1.2 Who may apply

All facilities funded by BFA must be dedicated primarily to arts-related purposes (see right sidebar for definition) and must meet the following eligibility standards *at the time the application is submitted*:

- be registered in the state of Washington as a nonprofit organization;
- have a legally constituted board of directors;
- have control of the project site via ownership or executed long-term lease (15 years);
- demonstrate significant public access to the facility;
- agree to enter the LEED certification process or receive an exemption from us;
- agree to pay prevailing wages as of the date the capital budget becomes effective; and
- have made substantial progress in an active capital fundraising campaign dedicated to the project, or have secured all non-state funding needed to complete the project.

WHAT'S AN ARTS-RELATED PROJECT?

It must involve the construction, renovation or acquisition of facilities that focus on the active interpretation, performance, or exhibition of aesthetic traditions, practices, or works of art that characterize cultural values.

** An aggregation of ordinary maintenance items does **not** constitute a bondable project regardless of cost, and is therefore not considered a major capital project eligible for BFA funds.*

BFA and state Historical Society grants

The state Historical Society awards construction grants to some organizations that may also be eligible for BFA funding. You may submit an application to each program, but cannot receive grants from both during the same biennium. If you accept a Historical Society grant over a BFA grant for the 2017-2019 Biennium, you may reapply to us two years from now for eligible costs incurred after June 30, 2016. However, you cannot use other state funding sources as part of your BFA match requirement.

If you are unsure about how any of these rules apply to your specific project, be sure to talk to Community Capital Facilities staff before submitting an application.

** State agencies may **not** be a significant beneficiary of the resulting facility. This is because they have greater access to state dollars than local jurisdictions and nonprofits.*

1.3 Partnerships

Partnerships will be considered, but the nonprofit must be designated as the lead applicant, have control of the project site and submit the application on behalf of the partnership.

The applicant must be a nonprofit organization that is primarily dedicated to arts-related activities — with one exception. The BFA Advisory Board will consider applications from nonprofit foundations qualified to raise funds for an otherwise ineligible organization.

For example, the applicant could be a foundation working in partnership with a tribe, or a governmental entity such as a public development authority.*

All partnerships must provide a copy of an executed joint-operating agreement at the time of application that:

- lasts a minimum of 15 years;
- guarantees a minimum of 50 percent usage by community nonprofit arts organizations;
- establishes which party has authority to set the facility's schedule; and
- contains a contingency plan to address the possibility of dissolution or other change of ownership, with the objective being to protect public funds.

Public-nonprofit partnerships can be valuable in developing and sustaining arts and cultural facilities, particularly in under-represented areas. However, this grant program's legislative intent is to fund nonprofits, which do not have the taxing and bonding authority of governmental entities. Therefore, public-nonprofit partnerships will be assessed for whether their project will primarily

benefit the community at large rather than the participating public agency's clients. These partnerships must also demonstrate financial need.

Mixed-use facilities may be considered, but these projects will be funded at 20 percent of the eligible capital cost of the arts-related component only.

1.4 LLCs and nonprofits

The applicant's facility may be owned by a limited liability corporation (LLC) as long as the nonprofit holds the majority interest (more than 50%) through the duration of a tax credit program.

The applicant must be able to demonstrate that it is receiving a significant benefit from the arrangement through a reduction in the capital costs of the facility.

1.5 Are 'seconds' allowed?

Facilities that have previously received a BFA grant are ineligible for additional funding unless:

- The project's scope of work has significantly changed **and** BFA funds have not yet been drawn down; or
- What is proposed is a different project, or a discrete new phase of the previous project.

1.6 Dates to remember

The BFA program operates on a biennial (two-year) grant cycle. Grantees cannot begin receiving their funds until September, 2017. Applicants should be cautious in using these dates for cash-flow planning purposes. In addition, grantees cannot get access to their funds until all requirements have been met.

PART 2: THE REVIEW PROCESS

2.1 LEED exemptions

All applicants are required to enter the LEED certification process or get an exemption. You may do the latter before applying for a BFA grant or as part of your application.

2.2 Application submissions

Applications must be submitted online via [ZoomGrants](#) by Thursday, June 23, 2016 at 5:00 p.m. In the interest of fairness, deadlines will be strictly observed.

Applications received by mail or facsimile machines (FAX) will not be accepted.

2.3 Preliminary review

After the submittal deadline, staff will review applications for eligibility and completeness. Those that are incomplete or do not meet eligibility standards **will not** be forwarded to the BFA Advisory Board for review. Qualifying applicants may also be ranked by staff using the scoring criteria on Page 16. Due to the large number of applica-

tions we receive, Commerce reserves the right to not forward the least competitive proposals to the board for review.

2.4 Application notification

After the preliminary review, each applicant will receive written notification from Community Capital Facilities staff as to whether their project has been forwarded to the BFA Advisory board. Applicants whose projects are not forwarded will be informed of the reasons in writing, and are encouraged to discuss with our staff how to prepare a more competitive grant for a future funding cycle.

2.5 Advisory Board role

The BFA Advisory Board helps develop program policy, reviews applications, and recommends projects for funding. The board consists of volunteers from the public and private sectors with demonstrated expertise in funding, administering, or advocating for arts-related organizations. The director of the Washington State Arts Commission serves on the board as a

Commerce reserves the right to reject applications that are unclear or provide incomplete information.

2017-2019 BFA GRANT DATES

| | |
|--|----------------------------|
| BFA grant application workshops (east/west) | May 31 & June 2 |
| Applications due (no exceptions) | June 23, 2016 at 5 p.m. |
| Notification of preliminary review results | July, 2016 |
| BFA Advisory Board work session | August 17, 2016 |
| Recommendations forwarded to governor | September 2016 (estimated) |
| Governor releases proposed capital budget | December 2016 (estimated) |
| 2017-2019 Capital Budget signed into law | June 2017 (estimated) |
| Capital Facilities may begin disbursing funds | September 2017 (estimated) |
| Expiration of funds without legislative action | June 30, 2019 |

voting, ex-officio member. The board includes grant officers from major foundations. The caliber of your application could influence your project's success with funding sources beyond our program. The scoring criteria used by the board is summarized on Page 16.

2.6 Board testimony

The BFA Advisory Board is scheduled to convene a work session in Olympia on August 17, 2016.

Applicants will be given time to offer testimony about their proposals and answer questions from Board Members. You are not required to attend in order to be considered for funding, however, the panel values the opportunity to hear from applicants, and may ask questions to better understand submitted materials.

The allotted time will range from 10 to 15 minutes, depending on the number of applications forwarded to the Board.

We strongly encourage concise, low-tech presentations with as few presenters, props, and handouts as possible. No large displays or models will be allowed.

2.7 Appropriations process

The BFA Advisory Board will forward its recommendations, in the form of a prioritized list, to the Commerce Director in the summer of 2016. If approved by the Director, the list will be included in the agency's 2017-2019 Capital Budget request, which is submitted to the Governor's budget office. If approved by the

Governor, the list will be included in the 2017-2019 Capital Budget request.

The 2017 Legislature will make the final determination as to which projects, if any, will receive BFA grants, and the total amount of funds to be provided for the 2017-2019 biennium. The Governor must sign the capital budget before an appropriation is legally binding.

2.8 Apply now or wait?

The biennial nature of our funding cycles can make judgments about when to apply for a BFA grant more complex. Capital Facilities staff can help you think through your options.

The applications that rank highest are usually from organizations that have raised upwards of 50 percent of funds needed to complete their project. This is because BFA funds come from the sale of state bonds, and when a grantee does not spend its award promptly, it ties up the state's bonding capacity.

The BFA Advisory Board has funded projects that were not as far along in their fundraising if they excelled in other respects. However, an applicant that has not secured as much capital funding needs to provide evidence of its ability to promptly raise all needed funds.

Be sure that your project's scope has been solidified before you apply. If you are awarded funds, we cannot write a contract that significantly deviates from your application.

The BFA Advisory Board includes grant officers from major foundations. The caliber of your application and committee presentation could influence your project's success with funding sources beyond our program.

Applicants that rank highest have usually raised more than 50 percent of their project budget. Those less far along in capital campaigns must show evidence of their ability to promptly raise all needed funds.

2.9 Misrepresentation

Any organization that presents false or misleading information in their application will be disqualified. Such statements can color your organization's reputation not only with Commerce but also with members of our Board who are grant officers for some of the state's largest foundations.

2.10 Appeals

The decisions of Capital Facilities are final and cannot be appealed. However, staff would be happy to assist in strategizing how to develop a more competitive application in the next funding cycle.

2.11 Recommendations

The BFA Advisory Board's recommendations are based upon the numerical rankings determined by the scoring criteria on Page 16 and qualitative factors that may include (but are not limited to) distributing funds as fairly as possible around the state.

As with our other competitive grant programs, BFA applicants who are farther along in their fundraising will tend to do better than those who aren't. At the same time, the BFA Board reserves the right to prioritize projects with less access to alternative sources of funding.

BFA SCORING CRITERIA AT A GLANCE

The BFA Advisory Board's funding recommendations are based upon the numerical rankings summarized below *and* qualitative factors that may include (but are not limited to) geographic distribution of funds, a fair representation among artistic disciplines, and the degree to which applicants have access to other funding sources. See the applicant readiness self-assessment (page 15) for more information on scoring criteria.

POINTS ASSIGNED BY FORMULA — up to 40 points out of a total of 100

PERCENT OF PROJECT FUNDS RAISED – multiply percentage by .25 (up to 25 points)

DESIGN WORK STARTED – if yes, add 5 points

FUNDRAISING FEASIBILITY PLAN? – if yes, add 5 points *

PROJECT FEASIBILITY STUDY? – if yes, add 5 points *

* Community Capital Facilities Program reserves the right to not award points for submittals that fail to meet the standards listed in the 2017-2019 BFA Grant Application.

POINTS ASSIGNED BY REVIEWERS — up to 60 points out of a total of 100

PROJECT READINESS – up to 15 points

Financial and managerial ability to complete the proposed project by June 30, 2019.

ORGANIZATIONAL CAPACITY – up to 15 points

Financial and managerial ability to successfully run the completed facility.

PROJECT RESULTS – up to 15 points

The degree the project will increase the efficiency and/or quality of services provided.

COMMUNITY NEED – up to 10 points

Evidence of a clear need, and credibility of documentation.

STAKEHOLDER PARTICIPATION – up to 5 points

Evidence of building partnerships with relevant stakeholders.

High-performance Buildings Law

The 2005 Washington State Legislature passed a law that may require many of our competitive grant recipients to comply with what have been termed “high-performance” or “green” building standards (RCW 39.35D).

The legislation’s goal is for major capital facilities projects receiving state dollars to be built to the LEED Silver standard where “practicable.” LEED (which stands for Leadership in Energy and Environmental Design) is a certification program run by the U.S. Green Building Council.

These building principles offer the most savings when incorporated early in the design process. That’s why ***we strongly encourage you to talk with your architect as soon as possible.***

The first issue you may wish to explore is whether your project is required to meet the LEED silver standard. The law offers two types of exemptions.

Exemption 1: Facility types

The following types of facilities are exempt:

- Acquisition only, does not include construction or renovation;
- New construction less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code;
- Renovation projects whose costs are less than 50 percent of the facility’s assessed value *and* are less than 5,000 gross square feet of occupied or conditioned space; or

- Facilities such as hospitals; research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types.

Exemption 2: “Not practicable”

Renovation projects that involve a new addition to an existing building may not be required for LEED certification. We are not permitted to offer this exemption because of cost or timing-related issues.

Pre-application exemption requests

You don’t need to wait until you turn in a grant application to find out if your project will be exempted. Our website has an exemption request form that you and your architect fill out. We will let you know quickly if your exemption request is approved.

According to the American Institute of Architects, high-performance buildings are cheaper to operate, save water and energy, and improve worker performance.

How should in-kind donations be handled?

You may apply in-kind donations toward your match requirement. Eligible donations include property, labor (except when donated by an applicant's paid staff), materials or equipment as long as their value can be properly assessed and documented.

For example, the value of donated real estate must be documented by an appraisal performed by a certified professional or county assessment.

We treat in-kind professional and nonprofessional labor differently. Professional labor is calculated at the rate a volunteer would normally charge for their services (be sure to document these costs with invoices). Nonprofessional labor is calculated at \$10 per hour. This can be documented with a spreadsheet itemizing the type of work done and the number of hours worked along with their signature. There is no limit to the portion of in-kind donations that can be applied to your non-state match, however the BFA advisory board is wary of projects too dependent on in-kind donations, this is why the amount of nonprofessional, in-kind labor you can receive credit for in our formula points is capped at 10 percent of project costs.

In general, reviewers look for evidence that an applicant has the ability to raise the funds needed to complete the project and cover its ongoing costs of operation.

What constitutes a 'major' project?

All of our competitive grants only fund new construction or renovation that is "major" in scope. We do not consider such a project to be general maintenance and repairs, or Americans with Disabilities Act (ADA) upgrades. *An aggregation of ordinary maintenance items does not constitute a major project, regardless of its cost.*

The installation of an elevator would not be fundable as a stand-alone project. Nor would replacing a roof or installing energy-efficient windows in a smaller building, purchasing new seats, expanding a parking lot, or adding a security system. On the other hand, these would be eligible costs if included as part of a larger project.

When drawing a line between a major and minor project, we consider the complexity of the project, e.g., replacing a roof might be eligible if it also requires a new HVAC and other improvements. Another factor could be the greater difficulty of funding capital projects in rural parts of the state. That's why we strongly encourage you to contact Community Capital Facilities staff if you are unsure whether your project is eligible.

PART 3: CONTRACTING SPECIFICS

3.1 Funding restrictions

Funds awarded under this program originate from the sale of state capital bonds, and include no federal funds.

We are mindful of the management pressures faced by nonprofits, and strive to administer BFA funds expediently and with a minimum of red tape. We do so within the policies and procedures established by the Legislature, the state Office of Financial Management, the Treasurer, and the Office of the Attorney General. We must also comply with federal arbitrage regulations.

BFA awards are funded through an appropriation in the capital budget. A grant can only be spent by the designated organization for costs that fit the scope of work listed in the grant application. The application becomes a controlling document that guides how a grant can be spent.

3.2 Cost reimbursement

Capital budget funds are available on a reimbursement basis only, and cannot be advanced under *any* circumstances. For the purposes of this program, reimbursable costs are those that are already incurred and paid by the grantee.

We may reimburse grant recipients for costs incurred and paid prior to the date a contract is executed, and as far back as July 1, 2014. The project start date must be accurately stated in the application in order for us to do so.

3.3 Matching funds

BFA grants may be used to pay up to 20 percent of *eligible* project costs; the remainder must come from

non-state sources. Non-state matching funds may consist of cash on hand, documented pledge commitments, the value of land acquired for the project, and in-kind contributions when properly documented.

Grantees may also include the proceeds of a letter of credit or other binding loan commitment as part of their non-state matching funds. The value of land used as non-state match must be supported by a current appraisal performed by a certified professional appraiser or a county assessment.

3.4 Availability of funds

Funds are expected to be available in September of the following year, but that can vary depending upon factors such as when the state budget is approved. A contract cannot be written until the grantee has met all funding conditions.

Contracts generally take three to four weeks to execute once the grantee provides us with all needed information. Contracts are developed on a first-come, first-served basis.

Due to these uncertainties, grantees are advised to talk with Community Capital Facilities staff before building state funds into their cash-flow projections.

3.5 Contracting conditions

Three requirements must be met before grantees can begin drawing down their grant funds.

■ Grantees must demonstrate in writing the financial capability to complete the project. This generally means that the entire amount of non-state matching funds must be committed to the project.

This is a reimbursement-style grant, and you can start drawing down funds only after all other money needed to complete the project has been raised. However, you can receive reimbursement for any eligible costs incurred and paid as far back as July 1, 2014.

■ Grantees must provide written evidence of site control **by the application deadline**, either through outright ownership of the subject property or an executed long-term lease (at least 15 years).

■ Nonprofit organizations must provide Commerce with a deed of trust or leasehold deed of trust as security for the grant and it must be recorded before reimbursement of project costs. Contracts \$500,000 and under are exempt from this requirement.

3.6 Documenting expenses

We reimburse grantees only after receiving copies of the original billing documents (invoices) and copies of cancelled checks or electronic funds transfer (as applicable). In all cases, costs must be documented and auditable.

3.7 Prevailing-wage law

Construction projects that receive any of our grants are required to pay state prevailing wages as of the date the Capital Budget becomes effective.

The Department of Labor and Industries is the state agency that implements prevailing wage law. For more information, contact Industrial Statistician Jim Christensen at 360-902-5330 or chrj235@lni.wa.gov.

3.8 Archeological review

Some projects may need to be reviewed for archeological and cultural resources. This is required of projects not undergoing a Section 106 review under the National Historic Preservation Act if the project:

- disturbs ground, and/or
- involves structures more than 50 years old.

Projects that fit these criteria will need to be reviewed by DAHP before they can go to contract.

3.9 Reappropriations

Some grant recipients may not be able to expend all of their funds by the end of the 2017-2019 biennium (June 30, 2019). Any unexpended funds will lapse unless reappropriated. Although not legally obligated to do so, the Legislature generally reappropriates unspent funds for long-term capital projects, such as those funded through BFA, but only once.

3.10 Rescinding funds

Community Capital Facilities reserve the right to rescind any authorization and reallocate the funds to the next organization on the BFA award list. If this occurs, the organization may reapply for funding in future grant cycles.

BFA grants are charged an administrative fee

Community Capital Facilities is authorized to retain up to 3 percent from each award to cover all administration costs (this is our sole source of funding; we receive no state General Fund dollars). For the 2015-2017 Biennium we retained 3 percent from competitive grants such as those offered by BFA. As you build your project budget, keep in mind that the net grant amount will be slightly less than the legislative appropriation. The administrative fee is not reimbursable to the grantee.

3.11 Change of ownership

Most of the capital projects constructed with state funds require that the facility or project be held by the contractor for a period of time appropriate to the amount of the state grant (a minimum of 15 years), and that the facility or project be used for the same purpose expressed in the legislation or contract.

3.12 Eligible costs

Capital budget funds may generally be used to pay for the following construction-related expenses incurred as far back as July 1, 2014:

- design, architectural, and engineering work;
- building permits/fees;
- archeological/historical review;
- construction labor and materials;
- demolition/site preparation;
- capitalized equipment;
- information technology infrastructure (cables and wiring);
- construction management (*from external sources only*)*;
- initial furnishings**;
- landscaping, and
- real property when purchased specifically for the project, and associated costs.***

* **Construction management and observation** is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work performed by off-site consultants or consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above.

** **Furnishings and equipment** are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

*** **Costs directly associated with property acquisition** include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses. However, BFA grants cannot reimburse a grantee the market-rate value of an existing reduced-cost lease.

3.13 Ineligible costs

All of our grants are intended to fund bricks and mortar. This is why the following costs are not eligible for reimbursement and *cannot be used to match state funds*:

- internal administrative activities;
- project management (from any sources);
- fundraising activities;
- feasibility studies;
- computers or office equipment;
- rolling stock (such as vehicles);
- lease payments for rental of equipment or facilities;
- mortgages or property leases (including long-term); and
- the moving of equipment, furniture, etc., between facilities.

3.14 Loan paydowns

BFA grants *cannot* be used to retire existing debt except when it is directly related to a project being considered for funding in the current grant funding cycle. In other words, a construction or bridge loan is an eligible expense only if it was incurred after July 1, 2014 as part of your project.

PART 4: BFA GRANT APPLICANT READINESS SELF-ASSESSMENT

Step 1 will help you assess whether your project is eligible for a grant during the current funding cycle. Step 2 is a self-diagnosis exercise. It **cannot** predict how we will rank your project, because that depends on currently unknown variables such as the number and quality of other applications that will be submitted. In addition to the scoring criteria listed in Step 2, the BFA Advisory Board may also consider qualitative factors. However, by carefully studying this readiness self-assessment, you can better anticipate the questions that will be asked by our reviewers.

Step 1: Are you eligible for a BFA grant?

- | | |
|--|---|
| <p>1.1 Is your project operated through a nonprofit organization with current 501(c)3 Internal Revenue Service registration? Yes ___ No ___</p> <p>1.2 Is your organization also registered in the state of Washington as a nonprofit corporation? Yes ___ No ___</p> <p>1.3 Does your organization have a legally constituted board of directors? Yes ___ No ___</p> <p>1.4 Do you have control of the facility through either: A. ownership of the site? Yes ___ No ___ B. a long-term lease? (15 years minimum) Yes ___ No ___ (You must say "yes" to one of the above options as of the date you submit the application.)</p> <p>1.5 Has your organization either: A. secured all funding needed to complete the project, or Yes ___ No ___ B. made substantial progress in an active capital fundraising campaign dedicated to the project? Yes ___ No ___ (You must say "yes" to one of the above options as of the date of the application submission.)</p> <p>1.6 Will the facility have significant public access? Yes ___ No ___</p> <p>1.7 Is your project an arts-related facility such as a performing arts center, an art museum, or a cultural facility (e.g., a Native American longhouse)? Yes ___ No ___</p> | <p>1.8 Does your project include major new construction or renovation? Minor work such as general repairs or ADA upgrades are not eligible for funding. Yes ___ No ___</p> <p>1.9 Will you enter the LEED certification process with the goal of meeting the silver standard? Yes ___ No ___ If you answered "no," have you received an exemption from Commerce Capital Programs? Yes ___ No ___ (You must enter LEED or have an exemption to be eligible for a BFA grant. You may apply for an exemption with your grant application or prior to its submittal.)</p> <p>1.10 If your project includes any new construction or renovation, will you pay state prevailing wages for all labor costs as of the date the Capital budget becomes effective? Yes ___ No ___</p> <p>1.11 Is your project a community center? This type of facility is ineligible for BFA funding. Yes ___ No ___</p> <p>1.12 Is your project an acquisition of bare land that does not include construction of a facility? This kind of project is ineligible for BFA funding. Yes ___ No ___</p> |
|--|---|

To be eligible for funding, you must have answered "yes" to questions 1.1 through 1.10 and "no" to questions 1.11 and 1.12. Each question represents an eligibility standard that must be met at the time your application is submitted.

Step 2: How competitive is your grant proposal?

The following questions are drawn from the selection criteria used by BFA reviewers to rank eligible applications. Applicants can earn up to 100 points.

| 2.1 POINTS ASSIGNED BY FORMULA <i>(up to 40 points out of a total of 100)</i> | POINTS |
|--|--------|
| a. Percent of project funds raised – multiply it by .25 (up to 25 points) | _____ |
| b. Design work started – if yes, 5 points | _____ |
| c. <i>Fundraising</i> feasibility plan appropriate to the project completed – if yes, 5 points | _____ |
| d. <i>Project</i> feasibility study appropriate to the project completed – if yes, 5 points | _____ |
| | |
| 2.2 REVIEW PANEL SCORING CRITERIA <i>(up to 60 out of a total of 100 points)</i> | |
| a. PROJECT READINESS – <i>Ability to complete the proposed project promptly (up to 15 points).</i> Will your project have a reasonable chance of completion by the biennium's end (June 30, 2019)? How realistic is the fundraising timeline? Is the project free of public debates that could delay it? | _____ |
| b. ORGANIZATIONAL CAPACITY – <i>Ability to effectively run the completed facility (up to 15 points).</i> How strong is your organization's financial and service-delivery track record? What is the average annual attendance at your events? How realistic is your assessment of the financial and managerial challenges of running the completed facility? Have you done an operations (business) plan? If project is a partnership, how stable is it? How transparent is the financial relationship? | _____ |
| c. PROJECT RESULTS – <i>Degree project will increase efficiency/quality of activities (up to 15 points).</i> How significantly will the facility increase the efficiency and/or quality of services provided, measured in terms of outputs (quantities such as attendance) or outcomes (qualities such as the difference the facility will make in the lives of its patrons)? If a mixed-use project, to what degree is it focused on eligible arts-related activities? | _____ |
| d. COMMUNITY NEED – <i>Evidence of a clear and compelling community need (up to 10 points).</i> How significant is the need? How well documented is your needs assessment? How much emphasis does the project place upon serving ethnic groups, senior citizens, persons with disabilities, and disadvantaged or at-risk youth? Is there a big enough market to support the facility? | _____ |
| e. STAKEHOLDER PARTICIPATION – <i>Partnerships with relevant stakeholders (up to 5 points).</i> What is the applicant's demonstrated commitment to building partnerships with other stakeholders relevant to the targeted need (e.g., as expressed by the diversity of the applicant's board of directors)? | _____ |
| TOTAL POINTS | |
| _____ | |

What's a competitive score? *No one can predict that before applications are turned in, but this scoring sheet can help you diagnose the strengths and weaknesses of your project. Once you've read through the guidelines and completed this self-assessment, we would encourage you to talk with Community Capital Facilities staff.*

BUILDING FOR THE ARTS GRANT WORKSHOPS

- Get your questions answered
- Learn from other applicants
- Meet Community Capital Facilities staff

Join us for a grant application workshop. These free workshops—offered in both Eastern and Western Washington will consist of a brief presentation about the Building for the Arts (BFA) program, followed by a step-by-step review of the application process, and a question-and-answer period. **Please send an email with the names of all attending to Capprograms@commerce.wa.gov.**

Eastern Washington Workshop (Spokane)

Tuesday, May 31, 2016 10:00 a.m.-noon

Spokane Community College, Building 6, Lair Student Center

1810 N. Greene Street

Spokane, WA 509-533-7000 or 1-800-248-5644

[Directions & parking information](#)

Western Washington Workshop (SeaTac)

Thursday, June 2, 2016 11:00 a.m.-1:00 p.m.

Radisson Hotel—SeaTac (Across from the SeaTac Airport)

18118 International Blvd

Seattle, WA 98188 206-244-6666

[Map and Directions](#)

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